

HOUSE BILL NO. 574

INTRODUCED BY BRANAE

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE BOARD OF TRUSTEES OF A SCHOOL DISTRICT TO ISSUE BONDS UPON APPROVAL OF A BOND PROPOSITION BY A MAJORITY VOTE OF THE ELECTORATE AT CERTAIN ELECTIONS; AMENDING SECTIONS 20-6-206, 20-6-318, AND 20-9-428, ~~AND 20-9-471~~, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 20-6-206, MCA, is amended to read:

"20-6-206. Consolidation or annexation election with assumption of bonded indebtedness. A consolidation election involving the mutual assumption of bonded indebtedness by the elementary districts to be consolidated, as prescribed in 20-6-203, or an annexation election involving the joint assumption of bonded indebtedness by the elementary district to be annexed, as prescribed in 20-6-205, ~~shall~~ must comply with the following procedures in addition to those prescribed by this title for other school elections:

(1) In a consolidation election the ballots ~~shall~~ must read, after stating the consolidation proposition, "FOR consolidation with assumption of bonded indebtedness" and "AGAINST consolidation with assumption of bonded indebtedness".

(2) In an annexation election the ballots ~~shall~~ must read, after stating the annexation proposition, "FOR annexation with assumption of bonded indebtedness" and "AGAINST annexation with assumption of bonded indebtedness".

(3) Any elector qualified to vote under the provisions of 20-20-301 may vote.

(4) When the trustees in each elementary district conducting an election canvass the vote under the provisions of 20-20-415, they shall ~~decide, according to the following procedure, if the proposition has been approved:~~

~~—— (a) determine if a sufficient number of the qualified electors of the district have voted to validate the election and have voted to approve the election proposition in the same manner required for bond elections by 20-9-428; and~~

~~—— (b) when the proposition is approved under subsection (4)(a), determine the number of votes "FOR"~~

1 and "AGAINST" the proposition.

2 (5) The proposition ~~shall be~~ is approved in the district if a majority of those voting approve the
3 proposition. ~~If the proposition is disapproved under either the provisions of subsection (4)(a) or (4)(b), the~~
4 ~~proposition shall be disapproved in the district."~~

5
6 **Section 2.** Section 20-6-318, MCA, is amended to read:

7 **"20-6-318. Consolidation or annexation election with assumption of bonded indebtedness.** A
8 consolidation election involving the mutual assumption of bonded indebtedness by the high school districts to
9 be consolidated as prescribed in 20-6-315 or an annexation election involving the joint assumption of bonded
10 indebtedness by the high school districts to be annexed as prescribed in 20-6-317 must comply with the
11 following procedures in addition to those prescribed by this title for other school elections:

12 (1) In a consolidation election the ballots must read, after stating the consolidation proposition, "FOR
13 consolidation with assumption of bonded indebtedness" and "AGAINST consolidation with assumption of bonded
14 indebtedness".

15 (2) In an annexation election the ballots must read, after stating the annexation proposition, "FOR
16 annexation with assumption of bonded indebtedness" and "AGAINST annexation with assumption of bonded
17 indebtedness".

18 (3) Any elector qualified to vote under the provisions of 20-20-301 may vote.

19 (4) When the trustees in each high school district conducting an election canvass the vote under the
20 provisions of 20-20-415, they shall ~~decide according to the following procedure if the proposition has been~~
21 ~~approved:~~

22 ~~—— (a) determine if a sufficient number of the qualified electors of the district voted to validate the election~~
23 ~~and voted to approve the election proposition in the manner required for bond elections by 20-9-428; and~~

24 ~~—— (b) if the proposition is approved under subsection (4)(a); determine the number of votes "FOR" and~~
25 ~~"AGAINST" the proposition.~~

26 (5) If the proposition is ~~disapproved under the provisions of subsection (4)(a)~~ receives a majority of the
27 votes cast on the issue, the proposition is ~~disapproved~~ approved in the district."

28
29 **Section 3.** Section 20-9-428, MCA, is amended to read:

30 **"20-9-428. Determination of approval or rejection of proposition at bond election.** (1) ~~When the~~

~~trustees canvass the vote of a school district bond election under the provisions of 20-20-415, they shall determine the approval or rejection of the school bond proposition in the following manner:~~

~~——— (a) determine the total number of electors of the school district who are qualified to vote under the provisions of 20-20-301 from the list of electors supplied by the county registrar for such school bond election;~~

~~——— (b) determine the total number of qualified electors who voted at the school bond election from the tally sheet or sheets for such election;~~

~~——— (c) calculate the percentage of qualified electors voting at the school bond election by dividing the amount determined in subsection (1)(b) by the amount determined in subsection (1)(a); and~~

~~——— (d) when the calculated percentage in subsection (1)(c) is 40% or more, the school bond proposition shall be deemed to have been approved and adopted if a majority of the votes shall have been cast in favor of such proposition, otherwise it shall be deemed to have been rejected; or~~

~~——— (e) when the calculated percentage in subsection (1)(c) is more than 30% but less than 40%, the school bond proposition shall be deemed to have been approved and adopted if 60% or more of the votes shall have been cast in favor of such proposition, otherwise it shall be deemed to have been rejected; or~~

~~——— (f) when the calculated percentage in subsection (1)(c) is 30% or less, the school bond proposition shall be deemed to have been rejected~~

WHEN THE TRUSTEES CANVASS THE VOTE OF A SCHOOL DISTRICT BOND ELECTION UNDER THE PROVISIONS OF 20-20-415, THEY SHALL DETERMINE THE APPROVAL OR REJECTION OF THE SCHOOL BOND PROPOSITION IN THE FOLLOWING MANNER:

(A) IF THE SCHOOL DISTRICT BOND ELECTION IS HELD AT A REGULAR SCHOOL ELECTION OR AT A SPECIAL ELECTION CALLED BY THE TRUSTEES, THE TRUSTEES SHALL:

(I) DETERMINE THE TOTAL NUMBER OF ELECTORS OF THE SCHOOL DISTRICT WHO ARE QUALIFIED TO VOTE UNDER THE PROVISIONS OF 20-20-301 FROM THE LIST OF ELECTORS SUPPLIED BY THE COUNTY REGISTRAR FOR THE SCHOOL BOND ELECTION;

(II) DETERMINE THE TOTAL NUMBER OF QUALIFIED ELECTORS VOTING AT THE SCHOOL BOND ELECTION FROM THE TALLY SHEETS FOR THE ELECTION;

(III) CALCULATE THE PERCENTAGE OF QUALIFIED ELECTORS VOTING AT THE SCHOOL BOND ELECTION BY DIVIDING THE AMOUNT DETERMINED IN SUBSECTION (1)(A)(II) BY THE AMOUNT DETERMINED IN SUBSECTION (1)(A)(I); AND

(IV) WHEN THE CALCULATED PERCENTAGE IN SUBSECTION (1)(A)(III) IS 40% OR MORE, THE SCHOOL BOND PROPOSITION IS APPROVED AND ADOPTED IF A MAJORITY OF THE VOTES WERE CAST IN FAVOR OF THE PROPOSITION, OTHERWISE, IT IS REJECTED; OR

1 (V) WHEN THE CALCULATED PERCENTAGE IN SUBSECTION (1)(A)(III) IS MORE THAN 30% BUT LESS THAN 40%,
2 THE SCHOOL BOND PROPOSITION IS APPROVED AND ADOPTED IF 60% OR MORE OF THE VOTES WERE CAST IN FAVOR OF
3 THE PROPOSITION, OTHERWISE, IT IS REJECTED; OR

4 (VI) WHEN THE CALCULATED PERCENTAGE IN SUBSECTION (1)(A)(III) IS 30% OR LESS, THE SCHOOL BOND
5 PROPOSITION IS REJECTED. ~~Whenever the question of issuing bonds for any purpose is submitted to the registered~~
6 ~~electors of a school district~~

7 (B) IF THE SCHOOL DISTRICT BOND ELECTION IS HELD at a general election, at an election that is conducted
8 by mail ballot, as provided in Title 13, chapter 19, or at a special election that is held in conjunction with a regular
9 or primary election, the determination of the approval or rejection of the bond proposition is made by a majority
10 of the votes cast on the issue.

11 (2) If the canvass of the vote establishes the approval and adoption of the school bond proposition, the
12 trustees shall issue a certificate proclaiming the passage of ~~such~~ the proposition and the authorization to issue
13 bonds of the school district for the purposes specified on the ballot for ~~such~~ the school district bond election."
14

15 ~~Section 4.~~ Section 20-9-471, MCA, is amended to read:

16 ~~"20-9-471. Issuance of obligations -- authorization -- conditions. (1) The trustees of a school district~~
17 ~~may, without a vote of the electors of the district, issue and sell to the board of investments obligations for the~~
18 ~~purpose of financing all or a portion of:~~

19 ~~—— (a) the costs of vehicles and equipment;~~

20 ~~—— (b) the costs associated with renovating, rehabilitating, and remodeling facilities, including but not limited~~
21 ~~to roof repairs, heating, plumbing, and electrical systems;~~

22 ~~—— (c) any other expenditure that the district is otherwise authorized to make, subject to subsection (4),~~
23 ~~including the payment of settlements of legal claims and judgments; and~~

24 ~~—— (d) the costs associated with the issuance and sale of the obligations.~~

25 ~~—— (2) The term of the obligation, including an obligation for a qualified energy project, may not exceed 10~~
26 ~~fiscal years. For the purposes of this subsection, a "qualified energy project" means a project designed to reduce~~
27 ~~energy use in a school facility and from which the resulting energy cost savings are projected to meet or exceed~~
28 ~~the debt service obligation for financing the project, as determined by the department of environmental quality.~~

29 ~~—— (3) At the time of issuing the obligation, there must exist an amount in the budget for the current fiscal~~
30 ~~year available and sufficient to make the debt service payment on the obligation coming due in the current year.~~

1 The budget for each following year in which any portion of the principal of and interest on the obligation is due
2 must provide for payment of that principal and interest.

3 ~~—— (4) Except as provided in 20-9-502 and 20-9-503, the proceeds of the obligation may not be used to~~
4 ~~acquire real property or construct a facility unless:~~

5 ~~—— (a) the acquisition or construction project does not constitute more than 20% of the square footage of~~
6 ~~the existing real property improvements made to a facility containing classrooms;~~

7 ~~—— (b) the 20% square footage limitation may not be exceeded within any 5-year period; and~~

8 ~~—— (c) the electors of the district approve a proposition authorizing the trustees to apply for funds through~~
9 ~~the board of investments for the construction project. The proposition must be approved at a special or regular~~
10 ~~election in accordance with all of the requirements of pursuant to 20-9-428, except that the proposition is~~
11 ~~considered to have passed if a majority of the qualified electors voting approve the proposition.~~

12 ~~—— (5) An obligation issued is payable from any legally available fund of the district and constitutes a~~
13 ~~general obligation of the district.~~

14 ~~—— (6) The obligation may bear interest at a fixed or variable rate and may be sold to the board of~~
15 ~~investments at par, at a discount, or with a premium and upon any other terms and conditions that the trustees~~
16 ~~determine to be in the best interests of the district.~~

17 ~~—— (7) The principal amount of the obligation, when added to the outstanding bonded indebtedness of the~~
18 ~~district, may not exceed the debt limitation established in 20-9-406."~~

19
20 NEW SECTION. **Section 4. Effective date -- applicability.** [This act] is effective on passage and
21 approval and applies to school bond elections held on or after [the effective date of this act].

22 - END -